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HOSPITAL RELIEF

AND THE

COST OF ITS ADMINISTRATION IN THE METROPOLIS.

BEING AN ANALYSIS
OF THE WORKING EXPENSES OF THE PRINCIPAL
LONDON HOSPITALS FOR THE YEAR 1867 :

*With a Commentary, presented to the Weekly Board of Governors
of St. Mary's Hospital, on the 7th of August, 1868,*


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COMMENTARY

ON THE COST OF LONDON HOSPITALS.

For some time past there has been observable in the balance sheets of our London Hospitals a strong tendency to show a steady increase in the annual cost of maintenance, and this notwithstanding the exercise of the utmost vigilance on the part of the governing bodies, and the constant endeavour to introduce measures of economy wherever practicable. Various causes have been assigned for this increase, and have, in a more or less satisfactory manner, accounted for it. The system adopted by the Medical Profession in the treatment of disease has, it has been said, been growing more costly; a considerable increase in the price of provisions, &c., has undoubtedly taken place; and the cost of nursing has become far more expensive than it was a few years back. While admitting the causes which have led to the increased expenditure, it occurred to the Governors of St. Mary's Hospital to enquire whether the difficulties they experienced were shared in an equal degree by similar Institutions; and it was also thought that by a consideration of the financial working of other Hospitals, they might be enabled to gather information capable of leading to retrenchment in their own case. It was therefore determined to apply to the different London General Hospitals (and some of the larger special ones) for certain statistical information, calculated to form a comparative table, from which the desired information might be obtained. This was accordingly done, and, with some exceptions,* the

* Of the General Hospitals—St. Thomas's, the Great Northern, the Royal Free, and the Metropolitan Free, did not supply the information asked for.

The following Special Hospitals were applied to, viz: The Children's, The Cancer, The Brompton Consumption, The Fever, The Small Pox, The Lock, and the Royal London Ophthalmic Hospitals.

The Children's, and the Royal London Ophthalmic Hospitals were the only ones which furnished the desired information, and it is much to be regretted that the request made to the other Institutions was not complied with, as it might have been useful to note the difference existing in the cost of maintenance of special and general Hospitals.

statistics asked for were furnished with a kindness and promptitude which merits a special acknowledgment, and the result is shown in the annexed tables.

In considering these tables a marked difference is at once apparent, not only in the total cost of the several Hospitals, but also in the various items of which that cost is composed. But before proceeding to discuss these points, it is necessary to dispose of the question of the expense of the out-patients; for they bear a very unequal proportion, in respect to numbers, to the in-patients at the different hospitals, and consequently, unless the sum expended in their relief is previously deducted, an unfair comparison of the cost of the in-patients must necessarily result. It is a matter of much difficulty to decide what the actual cost of each out-patient really is; the medicine is naturally the chief expense; for beyond this is merely to be added that of dispensing, service, &c. The sum expended in drugs ought therefore to furnish an easy guide in making this calculation; but such does not prove to be the case, for in no item is there a greater variation observable; as an illustration, it may be instanced that at the Westminster Hospital 27,183 persons were supplied with medicine at a cost of £572 10s. 11d., while at St. George's, where 22715 persons were dispensed for, the drugs, &c., amounted to £1654 9s. 6d. With such figures it is no easy task to decide as to the amount to be put down for out-patient relief; but upon a full consideration of the matter, I am inclined to allow 1s. per head as being a sum calculated most fully to cover all expenses connected with that department, and to consider the balance of the annual expenditure as being fairly chargeable to the relief of the in-patients.

Having settled this question, we come to a comparison of the expense at which the relief of the in-patients is administered at the different London Hospitals; the first point in connexion with this would naturally be the cost at which each bed is maintained; and were the same system generally adopted, the division of the total cost by the number of beds would at once give the desired result; but as will be seen by a reference to the tables, the number of beds put forth by the

different Hospitals as being available, does not furnish a fair index to the comparative number actually filled ; for while in some Hospitals that number approaches very nearly to it, in other cases (as at the London, Middlesex, and Westminster,) the average number of beds vacant daily throughout the year, forms a proportion approaching to one fourth, and even one third, of the total number of beds which the Hospital contains ; this of course would act very unfairly for purposes of comparison towards those Hospitals who really keep all their beds in full operation, as at St. George's, King's, Guy's, and St. Mary's, the average cost of each bed being naturally very much reduced when a large number of empty ones (by which no expense is incurred) are included in the division. The only fair mode of comparison is therefore to be found by calculating the cost of each bed *actually occupied*, and this is accordingly given in the tables, and shows a variation ranging from £62 4s. 11d. in the London, to £39 12s. 6d. in the Westminster.

A fair test of the extent of the benefits conferred by each Hospital, may also be gathered from a consideration of the number of *persons* received during the year ; for although a certain number of beds may be kept constantly filled, it follows that if these beds are occupied for long periods by chronic or incurable cases, fewer persons can be admitted to the Hospital, and the benefits of the Institution be less widely diffused. The number and the cost of each patient admitted, forms therefore another interesting subject for comparison ; and the average of cost in this case is accordingly given. As regards *numbers*, a consideration of the proportion of patients to beds occupied, shows that while in some cases it was restricted to 9, in others as many as 12 patients and upwards occupied the same bed during the year.*

It has been shown that the cost of each occupied bed varies considerably in the different Hospitals ; but on referring to the statistics, I am unable to arrive at any rule by which to account for it. The size of a Hospital ought, and doubtless

* The Cancer Wards at the Middlesex Hospital would naturally affect the average at that Institution in this respect.

does, exercise some slight influence in the question of cost, an Institution containing from 300 to 400 beds necessitating but a small addition to the administrative staff required for one of only half that size, and consequently in the matter of salaries some advantage ought to be obtained by the former; but in other respects the size of a Hospital cannot have much effect upon the cost of each bed; for the expense of provisions, nursing and medicine ought merely to increase in proportion to the number of beds occupied, and ought therefore on comparison to furnish the same comparative result; it is therefore hard to understand why such a variation as has been shown should exist. In endeavouring to trace it, by referring to the different items composing the year's cost, we find a fresh difficulty caused by its having been found impossible to adhere exactly to the form drawn up for the statement of expenses; but this does not affect the more important items to any great extent, and glancing at the first one given, viz., that of provisions, or to use another term, "diets," we at once find some very startling results. St. Mary's, with 141 beds occupied, expends £2564 upon the patients' food; while King's, with almost exactly the same number, costs only £1680, a variation of nearly £900 in this one article! Again, the provisions at Charing Cross, with about three-fourths of the number of beds occupied as King's, costs £1865, being £185 *more* than the larger Hospital. As an instance of economy in diets, Guy's stands peculiarly prominent; the patients in that Hospital being fed at little more than half the cost of those at St. Bartholomew's, and at about one-third less than those at St. George's, St. Mary's, or Middlesex. These facts are sufficient to prove that the expense of the diets at the different Hospitals forms one great cause of the variation in the cost of maintenance; and if we consider the nursing, I think we shall find another cause equally surprising, or rather more so; for the different views of the Medical Officers on the subject of diets will naturally affect, in that particular, the expenditure of the Institution to which they are attached; whilst the cost of nursing, one would imagine ought to exhibit but little variation; nevertheless, we find that the nursing at King's and St. Mary's costs about two thirds of that at St. George's,

and nearly half of that at Guy's, although the former contains more than twice, and the latter more than three times, the number of occupied beds. The Westminster Hospital contains about the same number of occupied beds as St. Mary's, while the expense of nursing does not represent one-half of the amount.*

The subject of nursing and the proportion of nurses to patients, has been recently investigated by Dr. Gibb, of Newcastle-upon-Tyne, and a very valuable table has been drawn up by him as the result of his enquiries; viewing the importance of this subject in its effect upon the welfare of the sick, it may be safely asserted that until the sum expended upon it degenerates into extravagance, too liberal a provision for so important a department of a Hospital can hardly be made.

The cost of drugs (and Dispensary sundries), as has already been shown, varies considerably in the different Hospitals; but assuming that proper vigilance is exercised in the Dispensary, this must be entirely due to the mode of prescribing adopted by the Medical Staff, and which cannot of course be controlled either by Boards or Committees of management.

Under the head of salaries some difference of expenditure is observable; but how caused it is impossible to say without knowing the items of which it is composed; the salaries of the ordinary functionaries, as a rule, vary but slightly, and it may therefore be concluded that in some cases additional Officers are employed, the necessity for whose services is not generally recognized.

On a consideration of the whole matter, I am inclined to believe that the difference found to exist in the cost of our London Hospitals, is mainly owing to the extra diets, the drugs; and the system of nursing.

The first is almost entirely under the control of the Medical Officers; the second is wholly so. The diet scales at the different hospitals do not vary to any great extent, and consequently the excess in the cost of provisions must be attributed

* The remarks on Nursing in the first edition of this commentary have undergone some necessary revision, owing to the expenditure on that account having been incorrectly stated in the return originally furnished by King's College Hospital, but which has now been rectified.

to the use of extra articles of diet ; that of drugs must depend upon the mode of prescribing adopted ; in the latter case perfect uniformity cannot be expected ; but it is to be regretted that upon the question of nourishment and food so great a difference of opinion should exist.

It is also much to be regretted that some system of uniformity cannot be devised for keeping the accounts of hospitals, as it would greatly facilitate such enquiries as has been here attempted, and would enable the governing bodies, by a contemplation of the expenditure incurred by other institutions, in many cases to devise means for checking their own.*

With regard to the feasibility of retrenchment in our Hospital expenditure, I think that most persons, on a consideration of the accompanying tables, will arrive at the conclusion that it is practicable in some cases ; but it is evident that it can only be achieved by a united and vigorous course of action on the part of all connected with the conduct and working of the Institution.

It will be seen that the statistics of a few provincial Hospitals are given with those of the London ones ; but this has been merely as a matter of curiosity, and not with any view to attempting a comparison for practical purposes, as it is evident that the two classes of Institutions cannot be maintained at anything approaching an equal rate of expenditure. It will be observed that these Hospitals, like the London ones, also differ much from each other in their cost of maintenance, and there is one point in connexion with them that I think deserving of special notice ; it is the proportion of patients to beds ; this it has been shown, in the case of the London hospitals, varied from 9 to 12.7 ; while in the provincial ones we find it ranges from 11 to 16.7 to each occupied bed. From the large proportion of chronic cases which are supposed to be admitted to country infirmaries, one would hardly have been prepared for such a result.

* This object might be gained without interfering with the present mode of keeping accounts, were the several Hospitals to consent to furnish statistics of cost, etc., upon given forms to be previously agreed upon, and which might be published annually in a collective form, thus showing the working of the different institutions from year to year.